



NEWS RELEASE

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BLM Oil and Gas Lease Sale Nets Over \$12 Million

Santa Fe—The first quarterly oil and gas lease sale administered by the Bureau of Land Management in 2006, brought in \$12,257,230 dollars in revenue today from 68 federal leases sold in New Mexico, Kansas, Oklahoma and Texas. In New Mexico, 54 parcels netted \$11,580,944 in revenue; in Kansas, 1 parcel netted \$56,610 in revenue; in Oklahoma, 4 parcels brought in \$365,350 and in Texas, 9 parcels netted \$254,325 dollars. The total includes bonus bids, administrative fees and 1st year rentals for the leases. All parcels put up for lease were sold in today's auction for a total of 31,695 acres.

"All of the 68 parcels offered in today's sale received bids," said Linda Rundell, BLM's New Mexico State Director. Half of the revenues from these lease sales are returned to the U. S. Treasury, Rundell noted and half go to the state where the mineral lease occurs. New Mexico will receive \$5,790,472 dollars from today's auction.

A breakdown of parcels, acreages and bonus bids by State are as follows:

NM	54 parcels sold	25,438 acres	\$11,535,751 in bonuses
KS	1 parcel sold	320 acres	\$56,000 in bonuses
OK	4 parcels sold	866 acres	\$363,530 in bonuses
TX	9 parcels sold	5,070 acres	\$245,546 in bonuses

The highest bid per parcel was paid by Daniel E. Gonzales of Santa Fe for \$2,800.00 per acre for parcel number 32, for a 587-acre tract in Eddy County, NM for a total amount of \$1,646,400 million dollars.

Leases will be awarded for a period of 10 years or as long thereafter as there is production in paying quantities. The federal government receives 12½ percent royalties on production on those leases. The State of New Mexico receives half of this amount; in Fiscal Year 2004, the State received over \$340 million from federal mineral leasing, rents and royalties.

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The BLM carries out its mission under the Federal Land Policy and Management Act, which directs the agency to manage the public lands for multiple uses while protecting natural, historical, and other resources of these lands. Environmentally sound production of domestic energy from fossil and renewable resources is an important part of the BLM's multiple-use mission, and energy from Federally managed sources accounts for more than 30 percent of America's energy production.

Government estimates indicate that Federal lands contain about 68 percent of all undiscovered U.S. oil and 74 percent of undiscovered natural gas. A detailed oil and gas inventory by the Interior and Energy Departments found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 trillion cubic feet of natural gas. That is enough natural gas to supply the 56 million homes now using natural gas for the next 30 years.

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this land is in 12 Western states, including Alaska. The Bureau also administers 700 million acres of subsurface mineral estate throughout the nation.

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